



The President's Daily Brief

~~Top Secret~~ 5 December 1968



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THE PRESIDENT'S
DAILY BRIEF
5 DECEMBER 1968

1. Middle East

The Arab-Israeli border areas were quiet overnight.

Yesterday, Eshkol informed Jordan via the US Embassy in Tel Aviv that Israel has "no intention of widening the conflagration," that yesterday's action was aimed directly at the Iraqis, and that he hopes the Jordanian forces will find it possible to prevent a further deterioration in the situation.

It has long been clear to all parties that Husayn is unable to control the Iraqi troops, and Eshkol is probably trying by his message to put the blame on Jordan if further deterioration does in fact occur.

2. United Kingdom

The outlook for significant improvement in Britain's balance-of-payments is far from encouraging a year after devaluation. Exports have risen more or less in line with original estimates, but imports have not fallen because London has not succeeded in cutting consumer demand effectively. As a result, the deficit this year in balance-of-payments will be about \$1.4 billion, up considerably from 1967.

By next year, the austerity measures of last April are expected to take hold; imports hopefully will then drop while exports continue to rise.

A number of contingencies, however, could upset this forecast: renewed inflation if the government is unable to resist demands for higher wages and prices; sustained high demand for imports; a fall in world demand for British exports; and devaluation of the franc resulting in heightened pressure on the pound.

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3. Cuba

Recent rumors of unrest and organized resistance in Cuba are unfounded,

[redacted] none of the major acts of vandalism and sabotage that have occurred since last March were the result of an organized effort.

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[redacted] government officials seem to be living in a reasonably comfortable fashion.

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4. Venezuela

The army has tightened security as uneasiness builds because of the delay in declaring an election winner. Christian Democrat Rafael Caldera's slim margin over Gonzalo Barrios, the candidate of the governing Democratic Action Party, is beginning to shrink after holding steady for the past few days. Returns from rural areas--a traditional source of government support--account for the decline in Caldera's strength.

Both candidates continue to claim victory, and there have been minor clashes between backers of the two groups. Press accounts of widespread shooting and fire-bombing in Caracas, however, are exaggerated.

5. Soviet Union

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FOR THE PRESIDENT'S EYES ONLY

- 1.) Special Daily Report on North Vietnam
- 2.) North Vietnamese Reflections of US
Political Attitudes



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Special Daily Report on North Vietnam
for the President's Eyes Only

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I. NOTES ON THE SITUATION

Hanoi Radio Mentions Vance-Lau Talks: Hanoi Radio, in an international service broadcast in English on 3 December, discussed the private meeting the previous day between Ha Van Lau and Cyrus Vance. This is the first time Hanoi propaganda has alluded to the private discussions in Paris. The broadcast mentioned only that Lau vigorously protested alleged US violations of the bombing halt. There was no indication of discussions on other matters.

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Hanoi Reasserts its Independence of Peking: In a series of three broadcasts in Mandarin to Southeast Asia between 25 and 28 November, the North Vietnamese publicly reemphasized their independence of Peking. The broadcasts, which report the results of a meeting of the Federation of Overseas Chinese Associations in Vietnam, paints a glowing picture of the enthusiastic support this group is giving to Hanoi's policies--a picture which is grossly exaggerated if not outright false.

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As reported by Hanoi, the main speeches at the meeting paid only lip service to Chinese-Vietnamese friendship, and the final communiqué emphasized that "the victories scored by the Vietnamese people in the war are due to the correct militant revolutionary line of the Vietnam Workers Party led by President Ho." A speech by one Chang Jung at the meeting reiterated that "the line adopted by the Vietnam Workers Party in dealing with both internal and external affairs...has been correct all along." Chang Jung also allegedly pointed out that "Overseas Chinese in Vietnam...would like to see a truly independent Vietnam."

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Hanoi's tendency over the past few months to disregard Chinese advice has been particularly irritating to Peking. Why the North Vietnamese chose to increase the irritation--much less why they used an established pro-Peking group--is not clear. They could be trying to hide the fact that Sino-Vietnamese frictions exist at all. The broadcast could, on the other hand, be Hanoi's way of neutralizing a pressure group which is responsive to behind-the-scenes direction from Peking.

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Truck Movements: Reports from a roadwatch team in the Mu Gia Pass area indicate that during the last two weeks of November a daily average of 10 trucks moved south toward Laos. Similar numbers were reported in the pass during November and early December last year. Roadwatch teams on Route 912, the other major road linking North Vietnam and Laos, have reported that during the month of November an average of about five trucks per day moved south toward Ban Laboy in Laos.

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[redacted] The North Vietnamese may be planning to step up traffic levels on Route 912. Signal intelligence indicates that an antiaircraft artillery regiment may be deploying into Laos to bolster defenses along this road, which has been under intensive aerial bombardment in recent weeks.

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Trade Fair: [redacted]

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[redacted] Hanoi has not yet decided when to hold its proposed trade fair. [redacted] when the fair is held, only those foreign business interests now trading with North Vietnam will be invited. Hanoi will be promoting a wide range of native products at the fair and will be seeking construction materials from potential suppliers abroad.

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II. NORTH VIETNAMESE REFLECTIONS OF US POLITICAL
ATTITUDES ON THE WAR

There is nothing of significance to report to-
day.

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